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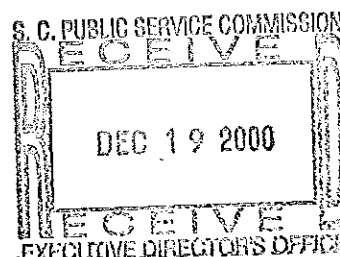
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ACCEPTED
Legal 203/2-19-00

December 18, 2000

Honorable Gary E. Walsh
South Carolina Public Service Commission
P.O. Drawer 11649
Columbia, South Carolina 29211



Re: Carolina Power & Light Company
Docket No. 1999-029-E

Dear Mr. Walsh:

This letter is to inform the Commission of an agreement reached between the Consumer Advocate and CP&L in the above referenced case. In return for the Consumer Advocate dropping any objection to the immediate approval of the Company's filing, CP&L has agreed that it has no objection to the Commission initiating a separate proceeding to investigate the appropriate treatment of the gain received by the Company from the sale of its interest of BellSouth's PCS digital cellular business. By this agreement, the Company does not agree that any sharing of the gain with ratepayers is appropriate. The Company further agrees that the approval of its filing will in no way prejudice the right of the Consumer Advocate to argue that the gain, or any portion of it should be used to reduce customer rates.

Sincerely,

Elliott F. Elam, Jr.
Elliott F. Elam, Jr.
Staff Attorney

cc: parties of record

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